



# CLEAN WATER ACTION

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***Re: Comment on Draft Funding Recommendations for IRWMP Round 1  
Implementation Grants***

Dear Ms. Billington and Ms. Farahnak:

On behalf of Clean Water Action, I would like to submit the following comments on the Round 1 Implementation Grants for Proposition 50, Chapter 8. Clean Water Action, a national organization with nearly 20,000 California members, was a strong supporter of both Proposition 50 in 2002 and Proposition 84 in 2006. We are excited by the opportunities offered through integrated planning efforts to involve local communities in decisions about their water. The efforts have the potential to generate greater community interest in and acceptance of new water management tools, as well as a greater willingness to fund such projects.

We understand that this is a new program that will present many challenges, both to the state, local water entities, and the public. The intent of our comments is to help improve the process and the eventual product of these efforts. We spent a considerable amount of time reviewing the Bay Area efforts, and have had the opportunity to speak with stakeholders involved in efforts around the state. We found that there was wide variation in quality and diversity of the plans and in the participation of stakeholders.

We offer the following suggestions to improve current and future efforts.



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## Stakeholder Involvement

As mentioned, stakeholder engagement varied widely among the various planning efforts. Yet the scores awarded for this category exhibited only a 3-point deviation, from a low of 2 up to 5 points. This is a disservice to those regional efforts that spent considerable time, money and effort to include community members, stakeholders, and non-governmental organizations. As an example, Plumas County hired tribal representatives to contact community members and ensure that environmental justice communities were involved in their planning process; they received 4 out of a possible 5 points in this category. Meanwhile, the San Luis Mendota project received 3 points for stakeholder involvement, even though "The IRWMP does not contain provisions for stakeholder involvement...[and]...does not discuss EJ impacts or DACs in this region."

Perhaps one difficulty is the number of metrics listed in the stakeholder involvement category; the evaluation is based upon the responses to *ten* questions. The evaluations did not reflect this level of detail, making it still more difficult to understand how points were awarded. At any rate, it is clear that the criteria as applied failed to adequately and accurately assess the widely varying levels of stakeholder engagement in these planning efforts. Moreover, the penalty for avoiding this time-intensive and (for many) unfamiliar activity is minimal.

Clean Water Action believes that these plans present an invaluable opportunity to educate and empower communities to protect their water supplies, restore local ecosystems, and support local water management efforts. For that to happen, stakeholder involvement must be given greater attention by the reviewers, and assigned a higher priority in the process.

*Recommendation for this funding cycle: increase the point award from 5 to 10 points for this criteria, and reevaluate the projects with specific reference to all 10 questions identified in this criteria.*

*Recommendation for future funding cycles: develop minimum public involvement criteria, including criteria for identifying and engaging disadvantaged and environmental justice communities, to be included as part of the pass/fail criteria.*

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## Readiness to Proceed

Clean Water Action believes that bond funding should be used to spur the development of new strategies, encourage the application of new technologies, and provide funding for needed projects that would otherwise not be able to move forward.

This evaluation process, however, places an inordinate weight on a project's readiness to proceed. Financing, Work Plan, Budget, and Schedule (a total of 30 points) are all based on the assumption that the projects are ready to begin within a year. In the projects evaluated, these factors appeared to result in a swing of about 10 points, a significant amount.

But for projects that cannot proceed without this funding, and for systems that lack the resources to risk stranded investments, this is not an appropriate measurement. While we agree with the motive of ensuring that bond funds are spent wisely, it doesn't really make sense in the context of this program. This is a very new and very unfamiliar planning effort; the readiness to proceed requirement actually discourages real planning and instead fosters the laundry list mentality, where agencies take current projects and try to build a plan around them.

This creates a serious barrier to funding for rural areas, disadvantaged communities, and environmental restoration efforts. For example, twenty-seven of California's fifty-eight counties have a median household income (MHI) that falls below the 80<sup>th</sup> percentile of the state MHI. Only six of those counties were part of a funded IRWMP, all of them part of the North Coast integrated plan. Under the current interpretation of the guidelines, it is not clear that any of the remaining disadvantaged counties will be able to access this funding. This inequity needs to be addressed as part of future funding initiatives.

*Recommendations for this funding cycle: for projects that target disadvantaged or EJ communities, cover rural regions, or involve community restoration efforts, remove scoring penalties for violation of readiness to proceed criteria.*

*Recommendations for future funding cycle: develop appropriate and clear alternative criteria to allow qualifying projects to avoid readiness to proceed penalties.*

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## Environmental Justice

While environmental justice (EJ) is one of the eight statewide priorities and is also referenced in the stakeholder involvement criteria, the evaluation of EJ appears inconsistent. Its absence in a plan does not seem to result in any penalty, and its inclusion seldom warrants a mention in the evaluations.

As an example, the San Luis Mendota plan received 30 out of 30 points for addressing statewide priorities, which should not be possible, given the reviewer's comment (already noted above) that EJ was not discussed or addressed in the plan. Unlike Calfed goals or Bay-Delta water quality objectives, EJ applies to every planning process, and should be assessed for every plan.

*Recommendation for current funding cycle: identify the degree to which each plan fulfills the state priority to address environmental justice concerns, and assign a specific point total within the 30-point statewide priority category for each plan's success in meeting this objective.*

*Recommendation for future funding cycles: development minimum criteria for identifying and addressing EJ concerns in IRWMPs, and include as a pass/fail requirement.*

## Funding Match

There is a specific inconsistency here. While disadvantaged communities are granted a matching fund waiver under the guidelines, they are still penalized in the scoring criteria because of that waiver. The arguments above regarding readiness to proceed apply here. Punishing the poor for being poor is not unusual, but it shouldn't be enshrined in state regulations.

*Recommendation for current funding cycle: eliminate the funding match penalty for projects that benefit disadvantaged communities.*

*Recommendation for future funding cycle: develop appropriate guidelines for funding match for rural and community restoration projects as well as for disadvantaged communities.*

## Environmental evaluation

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Environmental projects, while a key element of several IRWMPs, are shortchanged in the assessment process. In addition to the areas spelled out in this letter (funding match, readiness to proceed, balancing state and regional priorities), the criteria largely lumps environmental benefits into the “Other Benefit” category with a laundry list of every qualitative benefit that project sponsors can think to apply. Worse yet, while this entire category receives 10 points (as opposed to 15 for economic benefit), the actual points awarded ranged from 4 to 8 points. The penalty for ignoring environmental benefits is thus minimal.

The result of this imbalanced ranking is that standard “plumbing” projects will almost always rank higher than ecosystem projects that may have a greater diversity of benefits. The irony is that many of the environmental projects in these plans have multiple benefits, and as such, were prioritized in planning efforts. The wide range of funding sought for environmental benefits is troubling, raising concerns that a lack of state guidance may have resulted in fewer environmental projects.

*Recommendations for current funding: divide the “other benefits” category into two 5-point categories, “environmental benefits” and “other benefits” and re-evaluate the proposals.*

*Recommendations for future funding: refine benefits assessment to reflect the importance of environmental projects.*

## Balancing Statewide and Regional Priorities

While both state and regional priorities are noted in the evaluation process, they are not evenly compared. The state priority category is straightforward and specific, while regional priorities are evaluated in pieces through the objectives, priorities and schedule, impacts and regional benefits, and relation to local planning & sustainability – a total of 20 points. This gives the eight statewide priorities a disproportionate ranking. While it is certainly appropriate for state funds to serve state priorities, it does not serve efforts to encourage regional planning to give the perception that state priorities take precedence over local priorities.

Further, it is unclear how statewide priorities are applied. Not all statewide priorities are applicable to every region; is a region penalized for not being in the Calfed solution area, or not having a connection to the Delta? Greater clarity in how points were awarded for addressing statewide priorities would be appreciated.

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*Recommendations for current funding: clearly address the efficacy of regional priorities in proposal evaluation*

*Recommendations for future funding: revise criteria to clearly specify regional priorities and assign a value equivalent to the value of statewide priorities to the scoring criteria.*

## Streamlining process

There is a clear need to make this process more accessible. In its current format, the process is so expensive, time-consuming and confusing that only well-heeled agencies have the capacity to fully participate. That creates a barrier not only to involvement by community members and non-governmental organizations, but also to small agencies that lack the resources to participate. The complexity of the application also appears to have resulted in an imbalance between urban and rural applicants in the draft funding recommendations. No projects from the Sierras are funded, and the two Central Valley projects represent the largest city in the valley and the largest agricultural district.

*Recommendation for future funding proposals: simplify process and guidelines. Consider offering technical assistance to regions with a large disadvantaged population.*

## Peer Review

Given the broad scope of these planning efforts, the peer review process seems limited. At a minimum, the Department of Health Services Drinking Water Program should be part of this process. With its regulatory authority over drinking water and 35 regional offices, this agency can offer valuable insights on the drinking water needs of specific regions, and assess the ability of a plan to address those needs. The Department of Fish and Game and federal agencies also have expertise that could be engaged in the review of plans and projects. And stakeholder groups can also offer important feedback on the success of the plans in identifying and engaging stakeholders.

*Recommendation for future funding cycles: develop a broader review process that includes experts in multiple disciplines, engages relevant agencies, and involves public stakeholders.*

## Point Assignment

While the products of the regional efforts varied widely, those variations were not well reflected in the scoring. Eighty-five of the possible 143 points awarded in the scoring were awarded in 5-point increments, with no fractions used, no score below 2 awarded,

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and no score of zero allowed under the guidelines. The resulting small deviations served to minimize the significant differences in the quality of the planning efforts and made the selection of awards more contentious than necessary.

*Recommendation for future funding cycles: Reduce the number of scoring criteria by combining where appropriate so that a 10-point minimum can be assigned for each scoring criteria. Allow a zero score to be awarded, and allow half-point divisions.*

Thank you for the opportunity to comment on this important program. We are very interested in improving these guidelines before the next funding cycle, and would like to help you engage communities that have found it difficult to participate in the process to date. We would appreciate being included in any meetings or discussions you hold in the coming months.

Sincerely,

Jennifer Clary  
Water Policy Analyst

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